

Incoming
m/047/010
April

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple - Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
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RECEIVED

JAN 22 2015

LARGE MINING OPERATIONS PROGRESS REPORT
January 1, 2014 to December 31, 2014

DIV. OF OIL, GAS & MINING

The information required in this form is based on provisions of the Mined Land Reclamation Act, Title 40-8, and the R647 rules under the Utah Minerals Regulatory Program. It is due January 31 of each year.

1. Mine Permit Number: M470010
2. Mine Name: Bonanza
3. Name of Operator/Permittee: American Gilsonite Company
Note: If Operator's address, company representative or phone number have changed, please provide a replacement page for the Notice of Intention together with form MR-REV available on the Division's web page at https://fs.ogm.utah.gov/pub/mines/minerals_related/forms/MR-REV.pdf
4. Report the gross amount of ore mined and waste moved:
 Gross Ore Mined 60,210 Tons, or _____ yd³
 Waste Material Moved _____ Tons, or _____ yd³
5. New disturbance created during the year 3.1 Acres
 Area reclaimed during the year 16 Acres
 Total disturbed area at the end of the year _____ Acres*
 *The total disturbed area should not be greater than the permitted/bonded acreage
6. Briefly describe the reclamation work performed during the past year. (Submit form MR-SITE (https://fs.ogm.utah.gov/pub/mines/minerals_related/forms/MR-SITE.pdf) to apply for full or partial bond/site release). Attach additional sheets if needed.
See attachment
7. Include an updated map depicting surface disturbance and reclamation performed during the year (Rule R647-4-105). See attachment

I hereby certify the information provided in this report is true and correct to the best of my knowledge and belief.

Name (Typed or Print): Nicholas J. LottTitle of Operator: General ManagerSignature of Operator: [Signature]Date: 1/16/15

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American Gilsonite Company
Bonanza Mine Site
29950 South Bonanza Highway
Bonanza, UT 84008
Phone: (435) 789-1921
Fax: (435) 789-1956

Monday, Jan 19, 2014

April Abate
Division of Oil Gas and Mining
1594 W North Temple Suite 1210
PO Box 14801
Salt Lake City, UT 84114-5801

Re: M470010- 2014 Reclamation and Disturbances for Bonanza

Dear Ms. Abate,

The purpose of this letter is to describe the reclamation and disturbances for the 2014 Large Mining Operations Progress Report (Form MR-AR Items #6 & 7). These items took place within the Bonanza area on Permit ID M470010.

The following items were part of the 2014 reclamation efforts performed by American Gilsonite Company (AGC); however, at this point AGC does not wish to apply for partial of full bond releases, but may do so at a later date. You inspected all of these areas during the August 20, 2014 inspection.

1. Reclaim and seed LE-6 (Figure 1) on Federal Lease UT-0126938 (1.8 acres).
2. Reclaim and seed LE-20 and the area along the vein (Figure 2) which is located on AGC lee land (9 acres).
3. Reclaim and seed WH-19 (Figure 3) on Federal Lease UT-0126943 (1.4 acres).
4. Reclaim and seed WH-18 (0.5 acres) on Federal Lease UT-0126943.
5. Reclaim and seed WH-17 (0.8 acres) on AGC fee land.
6. Reclaimed the disturbance made in row UTU-24147 (2.5 acres)

Each of these areas was hydro-seeded with recommended seed mix for the Bonanza area. This seed mix is available upon request.

The following items were part of the 2014 disturbances by AGC:

1. Built a new ore drying building behind the process plant (Figure 6). This was built on 3 acres of land that previously had been disturbed
2. Drilled B-50 shaft (Figure 8). This shaft was drilled on a pad that was previously built but needed a new shaft.
3. Replaced the storm water drain line which is within UTU-24147 ROW and AGC owned property (2.5 acres). The 6" deteriorating steel line was

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- replaced with a 12" corrugated poly line. The area was reclaimed and reseeded.
4. Installed a 1,600' fire line around the process plant to bring it up to code. This was in an area that was previously disturbed. This is on AGC owed property.
 5. Gilsonite vein exploration on UTU-073071 (0.6 acres).

Thank you for your time and consideration in this matter. If you have any questions, please contact me at (435) 781-4552 or Dean Richens at 435-781-4566.

Sincerely,

A handwritten signature in black ink, appearing to read 'Nicholas J. Lott'.

Nicholas J. Lott
General Manager
American Gilsonite Company

xc: AGC Reclamation Files

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Figure 1: Reclamation of LE-6



Figure 2: Little Emma Vein



Figure 3: WH-19 Cap

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